

Exhibit 2

Response to Comments (pages 1-20)

RESPONSE TO PUBLIC COMMENTS

ON

**Draft
Air Pollution Control
Prevention of Significant Deterioration (PSD)
Permit to Construct**

Permit No. PSD-OU-0002-04.00

Permittee:

**Deseret Power Electric Cooperative
10714 South Jordan Gateway
South Jordan, Utah 84095**

Permitted Facility:

**110-Megawatt Waste Coal Fired Unit
at Bonanza Power Plant**



**United States Environmental Protection Agency
Region 8
Air & Radiation Program
Denver, Colorado
August 30, 2007**

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A. INTRODUCTION

On April 14, 2004, Deseret Power submitted a Prevention of Significant Deterioration (PSD) permit application to the United States Environmental Protection Agency, Region 8 (EPA), to approve construction of a new coal-fired electric utility unit at Deseret's existing Bonanza power plant. The application was updated and re-submitted to EPA on November 1, 2004. Several amendments to the application were submitted over the following year and a half. The application, amendments, draft PSD permit, draft Statement of Basis, and all related correspondence between EPA and Deseret Power are contained in the Administrative Record of this permit action, which was made available for 30-day public comment in late June of 2006.

The existing Bonanza power plant is located in eastern Utah, on the Uintah & Ouray Indian Reservation, and consists of a single bituminous coal fired electric utility unit ("Unit 1"), rated at 500 megawatts electrical output. The fuel for Unit 1 is supplied by the Deserado coal mine, located about 35 miles east of the plant. Unit 1 was constructed in the early 1980's and is operating under a Federal PSD permit originally issued by EPA on February 4, 1981, then updated and re-issued on February 7, 2001.

The new unit at Bonanza plant would consist of a Circulating Fluidized Bed (CFB) boiler and associated equipment, rated at 110 megawatts electrical output, and designed to be fueled with waste coal from the Deserado mine. The PSD permit for the new unit is proposed to be issued as a separate permit from the PSD permit for Unit 1.

The EPA published a public notice in the following newspapers, on the following dates, soliciting comments on its proposal to issue the permit for the new unit, in accordance with Sections 160-169 of the Clean Air Act (CAA), 40 CFR 52.21, and 40 CFR part 124:

Uintah Basin Standard (Roosevelt, UT)	June 27, 2006
Vernal Express (Vernal, UT)	June 28, 2006
Grand Junction Sentinel (Grand Junction, CO)	June 28, 2006
Rio Blanco Herald Times (Meeker/ Rangely, CO)	June 29, 2006
Salt Lake Tribune (Salt Lake City, UT)	June 29, 2006

The public comment period ended on July 29, 2006.

On June 22, 2006, the EPA mailed copies of the draft PSD permit, draft Statement of Basis, public notice, and Administrative Record for the proposed permit action, consisting of all permit-related correspondence, to the following parties:

Uintah County Clerk's Office
147 East Main Street, Suite 2300
Vernal, Utah 84078